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FAR EAST/PACIFIC BRANCH
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

WEEKLY INTELLIGENCE HIGHLIGHTS

NO. 68

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OFFICE OF REPORTS AND ESTIMATES, CIA FAR EAST/PACIFIC BRANCH

INTELLIGENCE HIGHLIGHTS NO. 68 14 SEPTEMBER - 20 SEPTEMBER 1949

SECTION I. SUMMARY OF FAR EAST TRENDS AND DEVELOPMENTS

The Rhee-CHIANG conversations are alleged to have resulted in tentative agreement for the exchange of Nationalist ships, aircraft, arms, and ammunition for Nationalist use of Korean ports and airfields. (p. 3).

Public disclosures of large-scale arms smuggling from the Philip pines may have unfavorable repercussions on Philippine relations with Southeast Asia and may be a source of considerable embarrassment to the US (p. 4).

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A major policy speech by the North Korean Premier indicates an indefinite continuation of present "peaceful" tactics (p. 6). The Korean food situation is still believed to be serious despite recent reports that the 1949 food crop will reach 95% of the 1948 crop (p. 6).

The Chinese Communists scored no major advances on the military front last week (p. 7). Meanwhile the CCP has begun to lay the groundwork for its "peacetime" army (p. 7). This year's Manchurian harvest will be extremely short and will at best provide only a small exportable surplus (p. 8).

The marginal notations used in succeeding sections of this Weekly ("A", "B", or "C") indicate the importance of the Items in B/FE opinion with "A" representing the most important.